



New Connection Cost Working Group – NAV / Small Company Reporting

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The rules relating to the reporting requirements are contained in:

- RAG 3.09 – Guidelines for the format and disclosures for the annual performance report
 - A company with an annual turnover of less than £6.5m is defined as small in terms of regulatory accounting information requirements. This threshold only applies to regulatory accounting information required under Condition F and no other types of information.
- The exemption is based on the Companies Act thresholds for defining a Small entity, which has been updated from 1st January 2016, which now defines a small entity with a turnover of less than £10.2m. (RAG's will be updated to reflect this change)
- No reference in the Licence to small companies, exemption is given via the RAG's.

RAG 3.09 – Section 1

| Small Company Return - Analysis of turnover and operating costs | | | | | | |
|--|---------------------|------------|----------|-------------------|------------|----------|
| | Current year | | | Prior year | | |
| | Water | Wastewater | Total | Water | Wastewater | Total |
| TURNOVER | | | | | | |
| Unmeasured | | | | | | |
| - household | I | I | C | I | I | C |
| - non-household | I | I | C | I | I | C |
| Measured | | | | | | |
| - household | I | I | C | I | I | C |
| - non-household | I | I | C | I | I | C |
| Other | I | I | C | I | I | C |
| Total turnover | C | C | C | C | C | C |
| RETAIL OPERATING COSTS | | | | | | |
| Customer services | I | I | C | I | I | C |
| Doubtful debts | I | I | C | I | I | C |
| Other operating costs | I | I | C | I | I | C |
| WHOLESALE OPERATING COSTS | | | | | | |
| Power | I | I | C | I | I | C |
| Service charges/ discharge consents | I | I | C | I | I | C |
| Bulk Supply/Bulk discharge | I | I | C | I | I | C |
| Other operating costs | I | I | C | I | I | C |
| Local authority rates | I | I | C | I | I | C |
| Total operating costs | C | C | C | C | C | C |
| DEPRECIATION | | | | | | |
| Depreciation - retail | I | I | C | I | I | C |
| Depreciation - wholesale | I | I | C | I | I | C |
| Total Depreciation | C | C | C | C | C | C |
| Total operating profit | C | C | C | C | C | C |

RAG 3.09 - Section 2

Small Company Return - Number of connections and site consumption

| | Site name | Nr. of household properties connected (000) | Nr. of non-household properties connected (000) | Annual site consumption - households (Ml/yr) | Annual site consumption - non-households (Ml/yr) |
|--------------|-----------|---|---|--|--|
| | | | | | |
| Total | | | | | |

| Company | Annual Turnover 2015 for the 12 months ended 31 March 2016 (£m) |
|---|---|
| Albion Water Ltd | 2.8 |
| Cholderton and District Water Company Ltd | 0.2 |
| Independent Water Networks Ltd | 2.0 |
| Peel Water Networks Ltd | 0.5 |
| SSE Water Ltd | 4.3 |
| STS (water and sewerage) Ltd | 0.1 |
| Veolia Water Projects Ltd | 2.5 |

- No planned changes to the current reporting requirements for NAV's / Small Companies
- As the reporting threshold is approached, the changes to the reporting requirements will be proportionate to the relative size of the organisations and the benefit derived for the information required. i.e. where the data is not relevant it will not be requested, e.g. Network reinforcement costs